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ABSTRACT

The managerial roles of the university president and the corporation president were compared, and attention was directed to the skills needed by both types of executives and their relationships with their boards. The activities of the chief executive officers of five middle-to-large-sized American organizations were observed for a week. These activities were categorized, and a framework of 10 basic roles was developed to describe the administrators' responsibilities. Roles viewed as interpersonal included leadership roles, liaison roles, and figurehead roles (i.e., social, legal, and ceremonial tasks). Roles involving information processing included monitoring, disseminating information internally, and informing outsiders of organizational progress or developments. Finally, decision-making roles pertained to organizational change, conflict resolution, resource allocation, and negotiation. Two main differences between the environments of the university and corporate presidents were identified: the process of change was much slower and more diffused in the university setting due to the mission of a higher education institution; and the university president, especially the public university president, operated in a highly visible environment. (SW)

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A COMPARISON OF THE RESPONSIBILITIES OF UNIVERSITY AND CORPORATE PRESIDENTS

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A COMPARISON OF THE RESPONSIBILITIES OF UNIVERSITY AND CORPORATE PRESIDENTS

(ABSTRACT)

The objectives of the authors are to compare the managerial roles of the university president and the corporation president, to analyze the skills which both types must exercise to serve effectively as leaders in their respective organizations, and to examine the nature of the relationships of the presidents with their boards.

Henry Mintzberg studied chief executives of five middle-to-large-size American organizations and recorded all the activities that each chief executive performed during a week of intensive observation. He analyzed and dissected the various activities and developed a framework of ten basic roles, falling under three groupings, to describe their responsibilities. This paper utilizes Mintzberg's framework to compare the roles played by university presidents and corporate presidents.

Comparing the responsibilities of university presidents with the responsibilities of corporate presidents is of significance at this point in time since universities have been experiencing a series of crises that are making them more difficult to administer. The university president, like his counterpart in the corporation, is now considered to be a manager.

While the roles the two types of presidents play and the pressures they feel are similar, there are two major differences between the environments in which the two types operate. First, the process of change is much slower and more diffused in the university setting due to the mission of an institution of higher education. Second, the university president, especially the public university president, operates in an environment of high visibility where his or her every move is scrutinized by the media as well as a host of pressure groups both on and off campus.

INTRODUCTION

The American university today is much different than the university of thirty years ago when charismatic leadership and the application of small group dynamics properly integrated into the political model was sufficient. In the last two and half decades the academy has changed dramatically with the shifts in enrollment escalating rapidly and then declining incrementally, the growing complexity in funding, the political and value diversity in the external society, collective bargaining, inflation and a host of other constraints that would have seemed unthinkable earlier in this century (Dolan, 1976). Concurrent with these changes came the application of the analytical management tools that were once considered the exclusive domain of private enterprise. The dilemmas that American corporate chief executives were used to experiencing now are shared with their counterparts in higher education, university presidents. In the 1960's, 1970's, and early 1980's criticism of university chief executives, has become "a far greater part of presidential life than plaudits and gratitude" (Hesburgh, 1979). Cohen and March (1974) identify a type of role conflict for the modern university presidents:

> Although presidents are educators by experience and by identification, they are not educators by behavior. They notice the anomaly. One of the most reliable complaints of an American college president is the degree to which he is removed from educational matters. He is committed to success in his job and yet he does not consider academic policy achievements as a major factor in the evaluation of his success.

The university president, like his counterpart in the corporation, is now considered to be a manager.

This paper is not concerned with the value judgment of whether the

university president-manager is a positive trend in American higher education. The purpose of the author is to compare, as briefly and succinctly as possible, the jobs of the university president and corporation president and analyze the skills which they must exercise to serve effectively as leaders in their respective organizations.

RELATIONSHIPS WITH THE BOARD

The ultimate authority for both corporations and universities is a board. For corporations, boards are normally called boards of directors; for universities the board is called board of trustees, board of regents, board of curators, or similar titles.

Corporate boards are theoretically made up of knowledgeable people who can pass judgment on the decisions of top management. Outside domination of boards seems to be the trend for most corporations. However, it is common to have one or more top corporate managers on boards of directors. Glueck (1976) defines a board of directors and its major duties as follows:

> A board of directors is a group of individuals who legally are responsible to stockholders for the following duties:
>
> 1. Ensure continuity in the management of organizations: replacing or retiring ineffective managers.
> 2. Be responsible for the proper use of stockholder's resources.
> 3. See that the managers take prudent actions with regard to corporate objectives.
> 4. Approve major financial and operational decisions of the management.
> 5. Represent the company with other organizations and bodies in society.
> 6. Maintain, revise, and enforce the corporate charter and bylaws.

A study by Mace (1971) found that boards were not effective in accomplishing the theoretical responsibilities cited above. Corporate presidents have the real power, according to Mace, with outside directors serving only in an advisory capacity to presidents. Top management, and not boards, establish corporate objectives, formulate policies, and undertake strategic planning. For the most part boards ratify decisions ex post facto. Except in crisis situations, boards are little more than rubber stamps for the corporate president.

Peter Drucker also found boards to function differently than their stated purpose as supervisors of management (Drucker, 1974). He defends his contention by noting that the board seems to be the last to know when there is a corporate disaster. Drucker states that boards of directors are ineffective because top management wants this to be the case. Since most boards typically meet quarterly for a day or two each time, they do not get intimately involved with a corporation's problems.

Recently events have transpired, however, that may change the situation indicated by Mace and Drucker. Cases such as Escott v. Bar Chris Construction Corp. (283 F. Supp. 643; S.D.N.Y. 1968) and Penn Central have raised the question of whether directors are legally liable for inadequate performance (Glueck, 1976). In another suit, twenty-four directors and top management were charged with mismanagement with the plaintiffs seeking $350 million in damages (Glueck, 1976).

University boards, which will be referred to as boards of regents hereafter, vary in responsibilities and influence depending on historical factors, major source of funding, size of institution, and a host of other variables. Some boards are only responsible for one institution while others may be responsible for a system of institutions. In theory, boards

have certain general duties in common such as selecting and appointing the president, entering into contracts with individuals, private organizations, and federal agencies, determining programs to be offered and degrees to be granted, executing trusts, buying property, suing in its own name or in the name of the institution(s), and hiring a support staff for the board.

The literature on regents-president authority relations usually centers on the proposition that the board of regents decides policy questions whereas the university president is responsible for the general administration of the institution and for the enforcement of those policies set forth by the board (Cleary, 1979). In practice the line of demarcation between decisions that are the domain of the board and those to be made by the university president is often obscure; some presidents will decide issues their boards feel should be presented to them while other presidents forward troublesome issues to boards of regents whose members feel should properly be handled at the campus level.

In a 1978 study of 213 board of regents chairpersons and presidents whose institutions were affliated with the Association of Governing Boards of Universities and Colleges in a six-state Middle Atlantic area, regents and presidents agreed on their respective roles in a number of different areas, as well as on what policy is and what administration is (Cleary, 1979). However, on moral or social questions such as should the president authorize the dispensing of birth control devices without regents approval or should the board close a "pornographic" art exhibit when the university does not wish to do so, significant differences of opinion are evident. Some disagreements are also obvious in such areas of academic policy as the financial policy of budget making and review according to the Cleary study. Cole (1976) found that the main reasons for fifty-seven presidents who resigned

or announced their resignations in March, 1976, were conflicts with governing boards, faculty, or finances.

The relationship between a university president and his or her board is clearly much different from the relationship between a corporation president and his or her board. For university presidents of public institutions the proximity with regents is an important factor in the relationship. Public boards of regents usually meet nine or ten times a year as opposed to corporation boards which normally meet on a quarterly basis. Members of public boards of regents live in the same state as the presidents; in some cases, some members of the board may live in the same city or town. Corporate boards may be comprised of individuals from all over the United States. It is not unusual for a regent to pick up the phone and call a public university president to give a word of advice or to convey criticism on some decision of the president. If a public board of regents has a support staff with an executive officer, the university president may experience additional pressures that impact his or her ability to make decisions without continually being second-guessed at every turn.

COMPARISON OF THE MANAGERIAL ROLES

Henry Mintzberg studied chief executives of five middle-to large-size American organizations including a consulting firm, a consumer goods manufacturer, a technology firm, a hospital, and a school system and recorded all the activities that each chief executive performed during a week of intensive observation (Glueck, 1976). He analyzed and dissected the various activities and developed a framework of ten basic roles, falling under three groupings, to describe their jobs. This section will utilize Mintzberg's framework to compare the roles played by university presidents and corporate presidents.

The first grouping is "interpersonal" roles, of which there are three, delineate factors of a chief executive's work that pertain to interpersonal contact for its own sake. "Figurehead" describes the chief executive as a symbol carrying out a variety of social, legal, and ceremonial tasks required by the status of his or her office. Both university presidents and corporate presidents preside at formal dinners, greet visiting dignitaries, sign a myriad of government forms and reports, and make themselves available to influential personages who believe that they deserve the undivided attention of the chief executive. Corporate presidents are expected to spend time with important customers who have vital dealings with the firm. University presidents are expected to meet with influential alumni, prospective donors, politicians, and a host of other people whose good will is needed to help the institution. Additionally, university presidents are expected to greet parents of students at regularly-scheduled parents day ceremonies, address the homecoming convocation, attend plays, recitals, and other university-sponsored events, and preside at graduation exercises.

The second role in this grouping, the "leader" role, concerns the chief executive's relationship with his or her own subordinates in activities such as hiring, training, advising, and motivating. The president, whether he or she be in a university or corporate setting, must, as Bakke states, help his or her support people understand that the formal and informal systems are not separable; the organization's needs and the individual's needs must be fused together (Bakke, 1957).

The "liaison" role concerns the chief executive's interpersonal dealings with people outside his or her own organization. Developing a network of high-status contacts in which information and favors are exchanged for mutual benefit comprises a considerable share of both

university presidents' and corporate presidents' time. Both types join boards of directors of banks and hospitals, attend professional conferences, and perform public service work such as serving as an officer for United Way or the YMCA.

There are three roles in the second set all of which describe the activities performed by the chief executive in processing information. In his or her "monitor" role, a university president or corporate president continuously solicits and receives information about his or her organization for the purpose of better understanding the milieu. Because much of this information is privileged, the president from both types of organizations alone receives it because of his or her status in the leader role and because of the contacts developed in the liaison role. In the "dissemination" role, the university president or the corporate president passes on some of this privileged information to selected organizational "insiders." The third role in the processing of information set is the "spokesman" role in which the chief executive in a university or corporation informs outsiders about organizational progress or new developments. In corporate life this role may take the form of a Lee Iacocca making a television commerical for Chrysler. In academe this may take the form of a presidential press conference or a special appearance by the president on a local television talk show.

The last four roles involve the decision-making activities. As "entrepreneur" the corporation president undertakes the process of changing the organization by searching for problems or opportunities and taking the first step to deal with them. Instituting organizational chance in a university is much more complex than "setting the wheels in motion" as the corporate president does. Etzioni (1964) keys in on this difficulty by observing

that "in professional organization /e.g. universities/ overinfluence by the administration, which takes the form of ritualization of means, undermines the goals for which the organization has been established /e.g. teaching, research, and service/ and endangers the conditions under which knowledge can be created and institutionalized (as for instance, academic freedom)." The university president may run into resistance in trying to bring about organizational change from such diverse groups as the faculty senate, faculty bargaining unit, individual faculty members or researchers, the student senate, or professional associations. Change on the campus comes slowly and only after much deliberation and analysis on the part of many people, many of whom are not in the traditional chain of command.

Another role in the decision-making grouping is "disturbance handler", a role in which the chief executive must oversee the handling of a major disturbance or crisis. For the corporate president this perplexity may be the loss of a key executive, a strike, or the destruction of a facility; for the university president the crisis may be a significant drop in enrollment, a severe cutback in federal funds, the loss of "name" faculty, or a student uprising over escalating tuition rates.

When a chief executive decides who will get what in his or her organization, he or she is operating as "resource allocator." The corporate president schedules his or her own time according to personal priorities, decides who will do what which has the effect of redesigning the organization, and authorizes important decisions which cannot be made without his or her approval. The university president does not have the luxury of rapidly setting in motion the resources to bring about change. In his or her "resource allocator" role, the university president must often get board of regents approval before allocating money, manpower,

or equipment. After board approval, he or she still must contend with campus politics.

Lastly, the chief executive of a university or corporation functions as "negotiator" taking charge whenever his or her organization must participate in critical negotiations with other parties. Neither university presidents nor corporate presidents engage directly in bargaining with labor unions. This arduous task is carried on by staff members in the legal department or employee relations area. Corporate presidents do represent their firms in meetings with governmental committees, consumer groups, or industrial associations. University presidents may present their institutions' position in hearings conducted by governors or their staffs, in meetings with accrediting bodies, and at professional conferences. In institutions that are part of a system, university presidents may vie with other presidents in the system for funds or other privileges.

CONCLUSION

The counterforces buffeting the university in the early 1980's often depend upon the question of who has authority and responsibility for decision-making on campus. For many, if not most institutions, the hierarchical model with its emphasis on centralized decision-making is becoming predominant in the age of accountability. Advocates of the hierarchical model argue that only central administrators can bring order out of the chaos that exists in academe today. Corson states that "the institution, made up of constituencies that as often in conflict, requires a positive force to press for agreement on educational objectives, to assess progress regularly, and to suggest new goals and next steps" (Corson, 1975). Richman and Farmer (1974) summarize the qualities of successful president as follows:

> The successful university or college president usually has, as a minimum, the following basic qualifications: He or she is cool-headed and a good negotiator; communicates effectively both orally and in writing; consults quite widely with different constituencies and uses two-way communication; has the critical information at hand when needed; is an effective organizer and chooses competent deputies; has a democratic rather than an authoritarian leadership style, but can be tough and make sensitive or critical decisions when necessary; backs up decisions with well thought out explanations and meaningful documentation when necessary; is a good planner and follows through with effective controls; and has tremendous energy.

The job of the university president, like his or her corporate counterpart, is a difficult one. While the roles they play and the pressures they feel are similar as described earlier in this paper, there are two major differences between the environments in which the two types of presidents operate. First, the process of change is much slower and more diffused in the university setting due to the mission of an institution of higher education. Second, the university president, especially the public university president, operates in an environment of high visibility where his or her every move is scrutinized by the media as well as a host of pressure groups on and off campus.

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